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James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

September 18, 2014

W. Randall Jones
Attorney at Law
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KY 40202

Georgia Livingood
Office Manager
Nicholas County Water District
1639 Old Paris Road
Carlisle, KY 40311

RE: Case No. 2014-00325
Nicholas County Water District
(Construct, Finance, Rates; 278.023)

The Commission staff has reviewed Nicholas County Water District's application in the above case and finds that it met the minimum filing requirements on September 11, 2014 and has been accepted for filing.

Following please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Filings Division Director

LF/rs

RECEIVED

SEP 8 - 2014

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

FILED
SEP 11 2014
PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE NICHOLAS COUNTY)
WATER DISTRICT FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY TO CONSTRUCT, FINANCE AND)
INCREASE RATES PURSUANT TO KRS 278.023)

Case No. 2014- 00325

APPLICATION

This Application of the Nicholas County Water District ("Applicant"), respectfully shows:

1. That Applicant is a water district created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. That the post office address of Applicant is:

Nicholas County Water District
c/o Ms. Debbie Sweet, Chairperson
1639 Old Paris Road
Carlisle, Kentucky 40311
email address: newd@bellsouth.net

3. That Applicant, pursuant to the provisions of KRS 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting Applicant to construct the Water System Improvements Project Phase X (the "Project"); (ii) an Order approving increased water rates; and (iii) approval of the proposed plan of financing said Project.

4. That the Project consists of the construction, installation and/or replacement of (i) certain undersized lines and asbestos cement lines along Headquarters Road; and (ii) waterlines along a portion of Crooked Creek Road. The Project also includes the refinancing of certain short term debt incurred to fund the Phase IX project (see PSC Case No. 2009-00126).

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$555,000 of its Waterworks Revenue Bonds; (ii) a USDA, Rural Development ("RD") grant in the amount of \$200,000; and (iii) a Tobacco Settlement grant in the amount of \$185,000. Applicant has a commitment from RD to purchase said \$555,000 of bonds maturing over a 40-year

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